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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600 28 July 1966

State Dept. review completed

ARMY review(s) completed.

PREPARED FOR THE NATIONAL SECURITY COUNCIL
FURTHER DISSEMINATION OF INFORMATION
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28 July 1966

HIGHLIGHTS

The North Vietnamese are again using surface- to-air missiles in the southern part of the coun- try, where a US plane was lost on 28 July.	
I. The Military Situation in South Vietnam: ARVN forces engaged an estimated two Viet Cong/ PAVN companies in heavy fighting south-southeast of Da Nang on 27 July (Para. 2). The US 1st In- fantry Division launched a major new ground opera- tionSPRINGFIELD II north of Saigon in Binh Duong Province (Para. 3). Recently captured docu- ments reveal Viet Cong attack plans in Saigon area (Paras. 4-5).	
II. Political Developments in South Vietnam: Civilian politician Tran Van Tuyen expresses views about negotiating a settlement of the war (Paras. 1-4). Travel plans of Generals Tran Van Minh and Nguyen Chanh Thi III. Military Developments in North Vietnam: SAMs again being used in southern DRV, where a	
US plane was downed on 28 July (Paras. 1-2).	

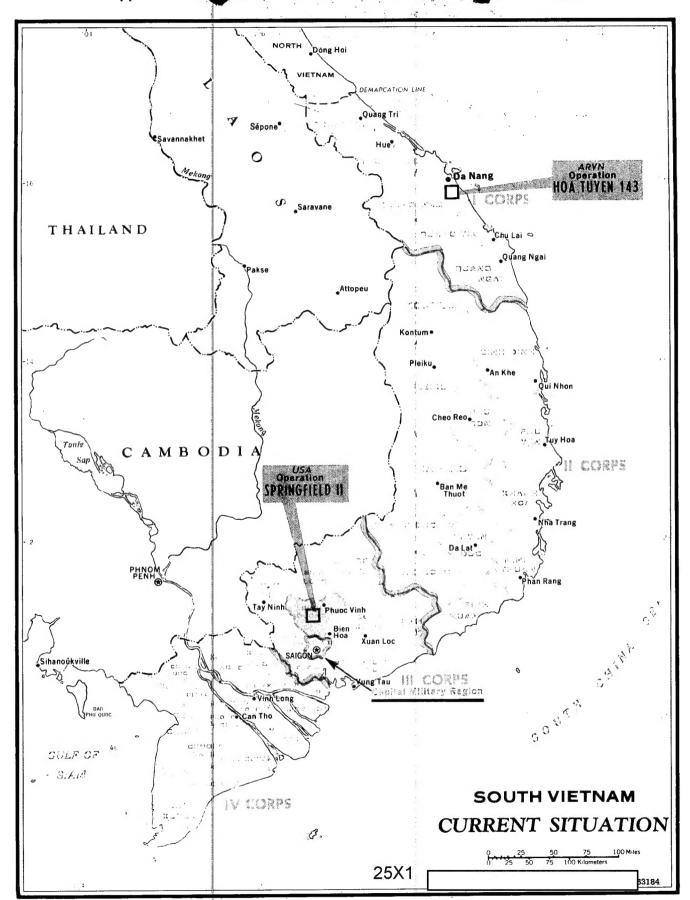
V. Communist Political Developments: There is nothing of significance to report.

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VI. Other Major Aspects: Japan is reportedly canceling the contract to supply North Vietnam with large quantities of field wire (Paras. 1-2).



I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. No major contact was reported today in any of the 35 battalion-sized or larger allied/Vietnamese search-and-destroy operations currently in progress.
- 2. Heavy fighting erupted on 27 July between two ARVN battalions and an estimated two Viet Cong/PAVN companies during search-and-destroy Operation HOA TUYEN 143 approximately 15 miles south-southeast of Da Nang. The engagement, which lasted throughout most of the day, resulted in enemy losses of 30 killed and one captured, in contrast to government casualties of five killed and 24 wounded.
- 3. A major new search-and-destroy operation-SPRINGFIELD II--was initiated yesterday by five battalions of the US 1st Infantry Division 30 miles north of Saigon, in Binh Duong Province. MACV J-2 order of battle holdings place one Viet Cong battalion (strength 384) in the immediate operational sweep area. No enemy contact has thus far been reported but US troops have seized a 25-ton rice cache.

Viet Cong Plans for Attacks in Saigon Area

4. Documents taken from a senior Viet Cong captain, who was captured in Long An Province on 24 July and claimed to be the commander of a "sapper" battalion, contained orders for future attacks by his unit on strategic targets in the Saigon area. The following objectives were singled out for attack: the rear command post of the 25th ARVN Infantry Division and the Nguyen Van Cu training camp in Gia Dinh Province; the bomb depot north-northwest of Tan Son Nhut Air Base; and the technical offices of Air Vietnam in Saigon, the Victoria and Metropole US military billets, and two police headquarters in Saigon.

5. According to J-2 MACV, the captive's "sapper" battalion is known to operate in the Saigon/Cholon/Gia Dinh Special Zone with the assigned mission of attacking or sabotaging specialized targets in the area. It is organized by detachments which, in turn are divided into sub-detachments, squads, and independent combat cells. Each detachment, with a strength of approximately 100, specializes in operations against a specific type of target.

II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- l. During a recent conversation with US officials, politically influential Tran Van Tuyen, a deputy premier in the Quat government, revealed interest in the problem of negotiations to end the conflict in South Vietnam. He said he believed that paramount responsibility for the settlement of the war should rest with the Vietnamese, albeit with the agreement of the United States, and suggested that Vietnamese should be used more extensively in sounding out both Hanoi and the Liberation Front on the matter of negotiations. Tuyen observed that he and many other prominent figures in South Vietnam personally know the leading political figures in the opposition camp.
- 2. Although Tuyen denied that he had had contacts with either Hanoi or the NFLSVN, and did not offer to serve as an intermediary, he mentioned that the establishment of such contacts could be accomplished with "a little perseverance." Such overtures, he acknowledged, could not be taken without GVN sanction, for the individual would be in serious danger.
- 3. Tuyen thought that an acceptable settlement of the war might be for the Front to give up the armed conflict and become integrated into South Vietnam's body politic as a competing political party. He was, nevertheless, fearful that such a Front party might prove to be more than a match for any other political entity on the scene today—including the VNQDD and the Dai Viet. Despite this expressed fear, US officials gained the impression that Tuyen is prepared to try to work out a settlement along the lines he described.
- 4. Tran Van Tuyen has proven over the years to be an astute politician with a demonstrated capacity for survival in the Vietnamese political arena. His opinions are widely sought by other politicians of all shades. It is possible that Tuyen's view of settling the war may be widely held in Saigon.

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Travel Notes

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Lt. General Tran Van Minh is expected to be appointed as Vietnamese ambassador to London. Minh, a Catholic general who has been unassigned since July 1965, was nominated for the post by Prime Minister Ky at a recent meeting which included Chief of State Thieu, Deputy Prime Minister Co, and Chief of the General Staff Vien. All concurred in Ky's recommendation.

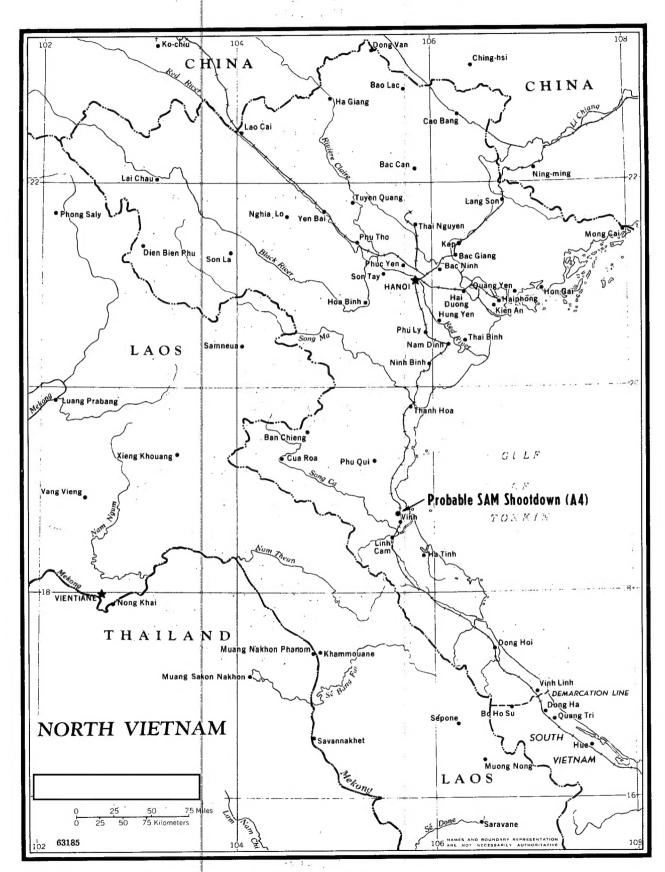
6. Plans for retired General Nguyen Chanh Thi's departure to the United States are nearing completion, according to a recent embassy report. Present arrangements are for a departure no sooner than 3 August; Thi's previous plans to depart on 31 July were delayed by difficulties in arranging air travel. Thi will reside in Washington and is reportedly to receive a monthly stipend from his government of \$600., presumably in addition to his retirement allowances.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. A Navy A-4E Skyhawk may have been shot down by a surface-to-air missile about five miles north of Vinh on 28 July. The aircraft was one of three involved in attacking a SAM site with Shrike radar-homing missiles. Wingmen reported seeing at least two SAMs rising from the Vinh area at about the same time the missing Skyhawk was last observed.

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2. Missile activity at Vinh and other sites in the southern portion of the DRV has been curtailed in recent weeks. After the US raids on POL facilities began on 29 June, North Vietnam appeared to be concentrating all available SAM units in the Hanoi/Haiphong area.

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On the same day pilots reported two SAM firings from a site in the immediate vicinity of Vinh. The A-4E lost on 28 July was attacking this site to protect other Navy aircraft making a raid on a nearby POL dump.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

VI. OTHER MAJOR ASPECTS

- 1. The recently concluded contract for shipment of 20,000 kilometers (km.) of military field wire from Japan to North Vietnam apparently has been canceled by Japan. Delivery of the wire was planned over an eight-month period and the first shipment of 1,500 km. was scheduled for 29 July on the Polish ship Pekin. Cancellation of the contract reportedly occurred after US Embassy representatives suggested that Japan's exports of the copper-steel wire could "invite a total ban of copper shipments to Japan by the United States Government."
- 2. Failure to receive the field wire as scheduled probably will cause some disruption in North Vietnam's logistical timetable, but there has been no indication of an immediate urgent requirement for such wire. The quantity involved is estimated to exceed North Vietnam's total annual requirements for field wire and is about four times the estimated annual consumption of field wire for all North Vietnamese supported combat forces in South Vietnam and Laos. Japan's withdrawal from the contract, however, probably will force North Vietnam to resume negotiations with other potential suppliers—for example, the USSR, Communist China, or Algeria. Prior to the conclusion of the Japanese contract, Algeria had expressed its willingness to supply this type of wire.